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NOV 27 1953

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Proposed Budgetary Analysis of Intelligence Programs

1. During the last year, there has been an obvious and increasing interest by The President, Mr. Dodge and The Congress in obtaining an over-all fiscal perspective of all intelligence activities. Because of this, Mr. Robert Macy of the Bureau of the Budget in his remarks to the Intelligence Advisory Committee on Tuesday, 17 November 1953, (Tab A), requested a budgetary review and analysis of the entire intelligence program. The review proposes to establish the total cost of the entire intelligence effort; to determine the different amounts in the various segments of the intelligence dollar; and to identify any existing areas of duplication of effort. Mr. Macy, in his speech, requested the cooperation and assistance of IAC members and indicated that the review under consideration was to be completed by 15 March 1954.

2. In order to accomplish these stated objectives, Mr. Macy proposed the following steps:

- a. Identification of source and amount of all intelligence funds.
- b. Development of across-the-board classifications in intelligence work.
- c. Determination of the annual cost of each classification.

3. The principal area in which cooperation of the IAC agencies is needed is in devising a method to collect comparative data under common denominators for the entire intelligence community. To assist in this collection, an ad hoc committee of the IAC agencies met on 18 November 1953 and recommended a classification system for the Bureau of the Budget's survey of intelligence budgets (Tab B). A second meeting is called for 30 November 1953 to further develop these recommendations, and a third will be held on 1 December 1953, at which representatives of the Bureau of the Budget will attend.

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Attachments:

Tab A  
 Tab B

L. K. WHITE  
 Acting Deputy Director  
 (Administration)

SA/ADA:RDHH:mag (27 November 1953)

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